

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation into
Implementation of Assembly Bill 970 Regarding
the Identification of Electric Transmission and
Distribution Constraints, Actions to Resolve
Those Constraints, and Related Matters Affecting
the Reliability of Electric Supply.

Investigation 00-11-001
(Filed November 2, 2000)

**ADMINISTRATIVE LAW JUDGE'S RULING
REGARDING SCOPE AND SCHEDULE OF PHASE 5**

On January 5, 2004, I held a prehearing conference (PHC) in Investigation 00-11-001 regarding the procedural schedule and scope for continuation of the Commission's examination of a generic economic methodology for evaluating transmission projects (Phase 5). While I am not prepared to issue a ruling setting a complete schedule for Phase 5 at this time, today's ruling is intended to provide enough guidance so that parties may proceed pending establishment of a schedule for testimony submission and hearings.

I agree with the approach proposed by the California Independent System Operator (ISO) in its PHC statement. The generic economic methodology should be applied to Path 26. The ISO's proposed approach for further development of the economic methodology is generally acceptable, including holding monthly workshops. Commission staff should participate fully in these workshops; I prefer that Commission staff co-facilitate the workshops to the extent feasible without delaying the workshops. I do not plan to provide for the filing of comments following the workshops.

I do not know yet whether there will be another PHC prior to testimony submission. The ISO's direct testimony will be due no later than June 2, 2004. I encourage the ISO to proceed with development of the economic methodology at a pace that would allow the ISO to submit its testimony earlier than June 2, 2004. If an earlier submission date is feasible, the ISO should notify me forthwith so that I may reflect that in my scheduling ruling. The scheduling ruling will provide that direct testimony by all other parties will be due approximately four weeks following submission of the ISO's testimony.

The parties have been given advance electronic notice of this ruling.

Therefore, **IT IS RULED** that:

1. In Phase 5, the generic economic methodology shall be applied to Path 26.
2. The ISO shall commence monthly workshops and further development of the generic economic methodology consistent with its January 5, 2004 PHC statement and the guidance provided in this ruling.

Dated January 28, 2004, at San Francisco, California.

/s/ CHARLOTTE F. TERKEURST
Charlotte F. TerKeurst
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Regarding Scope and Schedule of Phase 5 on all parties of record in this proceeding or their attorneys of record.

Dated January 28, 2004, at San Francisco, California.

/s/ TERESITA C. GALLARDO

Teresita C. Gallardo

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.